

# THE ESS IN A NUTSHELL

## WHAT IS THE EUROPEAN STATISTICAL SYSTEM (ESS)?

1. The ESS is the partnership comprising the Commission (Eurostat), National Statistical Institutes (NSIs) and other national bodies responsible in each Member State (MS) for producing and disseminating European Statistics. European Statistics can most easily be thought of as the aggregate statistics produced by Eurostat. (The European Central Bank also produces European Statistics, though it is itself not part of the ESS – instead it is at the heart of the European System of Central Banks).
2. The objective of the ESS is to provide reliable, comparable statistics for EU decision making, monitoring and evaluation. Statistics are used, for example, in areas as diverse as for economic and monetary policy, environmental and agricultural policy; in the allocation of structural funds, and the determination of MSs' contributions to the EU; in supporting the EU enlargement process, in monitor strategies and policies (such as relating to internal markets, or employment), and in benchmarking.

## WHAT ARE THE ROLES OF THE KEY PLAYERS?

3. Eurostat's role is to ensure the production of European Statistics at Community level. In close co-operation with NSIs and other producers (ministries, agencies and Central Banks) of (national) statistics, it ensures that methods, criteria and practices within the ESS are as harmonised and statistics as comparable as possible – frequently by means of Regulations - and then creates European aggregates for the EU Member States and the Euro Area. It then publishes most of this data and accompanying analyses (including tables and a wide variety of indicators) free-of-charge on its website (<http://ec.europa.eu/eurostat>), with much information also available in paper publications.
4. MSs' role in these processes is to provide the national data and statistics that are the building blocks of the European aggregates, as well as technical expertise and advice.

## DEFINING CHARACTERISTICS OF THE ESS

5. The European Statistics Code of Practice sets out the standards to which the ESS operates, in producing European Statistics (see again <http://epp.eurostat.ec.europa.eu>). In short, the ESS operates with professional independence, consistent with European and national law, and strict integrity, to ensure that statistics are produced and disseminated impartially, that statistical quality is managed effectively, and that respondents' privacy is maintained. An emphasis on cost-effectiveness requires the adoption of good practices and co-ordinated production, and the careful control of burdens on businesses and households that supply data. European Statistics are high quality – for example, relevant, up-to-date, and comparable – and are produced in line with users' needs and disseminated in formats that different types of users find most accessible.

## HOW IS THE ESS MANAGED?

6. There are various decision-making and advisory fora operating at different levels, on behalf of the ESS. The most noteworthy is the Statistical Programme Committee (SPC). This meets three times a year, is chaired by the Director General of Eurostat, and comprises the heads of the NSIs of each MS- The EEA/EFTA countries, the ECB, OECD, and a small number of additional observers also participates. Its purpose is to make formal decisions on statistical matters ("comitology") as well as to discuss strategy and express opinion. The SPC is assisted by a number of supporting committees, working groups and task forces, dealing with detailed and technical matters.
7. The opinion and interests of the European society at large, and more specifically of the users of statistics, are reflected and safeguarded by CEIES (European Advisory Committee on Statistical Information in the Economic and Social Spheres). (In future this valuable input will be provided by a new European Statistics Advisory Committee).
8. The Committee for Monetary, Finance and Balance of Payment Statistics (CMFB) comprises senior experts from DG Ecfm, Eurostat, NSIs, and central banks. It mainly deals with the definitions of concepts, follow-up and evaluation of statistical instruments necessary for the EMU.
9. Finally, it is worth noting that the Council of Ministers (Ecofin) takes a keen interest in statistical matters. In recent years Ecofin has considered a "statistical package" each November, reviewing progress and advising on the need for adequate statistical indicators for policy purposes, on matters of statistical governance, and so on. It is assisted in its work by the Economic and Finance Committee (EFC), and the Economic Policy Committee (EPC).

## RECENT SUCCESSES OF THE ESS

10. The key debates in the ESS in recent years have revolved around issues of governance. These issues include the appropriate degree of influence for politicians in relation to statistical matters, the operational and legal basis of the ESS itself, and the complex relationships between Eurostat, other Directorates General of the Commission, NSIs and national governments - as well as with the Central Banks at national and European levels. In addressing these key issues, the ESS as a whole has reinforced and improved its functioning in a number of ways:
  - it has discussed and outlined a new, definitive ESS legal basis (a proposal for a Regulation of the European Parliament and of the Council on European Statistics has been presented by the Commission and the legislative process is currently on-going.)
  - it has sought to strengthen and balance the prioritisation of European Statistics (to realise cost-savings for NSIs, and to ensure continuing relevance), and to reduce the burden on data suppliers, particularly businesses. This has been given legal standing via a Commission Communication, and also by virtue of the emphasis on burden reduction in the new Community statistical programme 2008 to 2012.
  - it has introduced the EU-wide statistical Code of Practice referred to above, and associated monitoring arrangements which have improved the ESS's commitment and adherence to good statistical principles and practices.

11. More generally, but equally noteworthy, the ESS has also:
- established ESS centres of excellence - grant-funded consortia of MSs addressing particular statistical topics, such as confidentiality, flash estimation and the Harmonised Index of Consumer Prices (HICP).
  - responded well to policy initiatives, including setting up of a series of Principal European Economic Indicators (PEEIs) which has helped EU monetary and financial policy making.
  - helped to formulate the soon-to-be-introduced European Statistical Governance Advisory Board (ESGAB) and the European Statistical Advisory Committee (ESAC)
  - recognised and begun to address the fact that the ESS has not been working well because of various structural deficiencies in the ESS – these being almost inevitable given that the ESS has evolved alongside the Europe project, rather than having been actively established.

## A COMPLICATED PARTNERSHIP

12. No relationship is straightforward. But the partnership that the ESS represents is particularly complicated. Each stakeholder has its own objectives, and hence interests and needs, and the effective management of the common areas of interest in the context of legitimate national difference in approach is crucial if the ESS' various stakeholders are to be supported by a valuable and authoritative statistical service. (National differences include for example the following. Some MSs rely upon surveys to collect statistics whilst others are able to use administrative registers; there are differences in the statistical environment in different MSs (centralised, decentralised); and some key statistics (such as balance of payments) are produced by different institutions in different MSs. All of these differences could have adverse implications for quality, in the broadest sense, unless managed appropriately and with due sensitivity and with a preparedness to compromise).